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Equitable Recovery Commission Issues Recommended Framework for Chattanooga's American Rescue Plan Investments

Mayor Tim Kelly to consider commission's recommendations and begin taking next steps on Friday

Chattanooga, Tenn. (Tuesday, April 26) — The Chattanooga Equitable Recovery Commission on Monday presented its recommended framework to Chattanooga Mayor Tim Kelly for the investment of \$30 million from the American Rescue Plan.

The commission developed the framework by using strategic priority areas and incorporating examples of the investment types that members believe can help stimulate long-term prosperity in the city, filling gaps that are remnants of an imperfect legacy. In its work, the commission acknowledged that some of the city's communities have been historically neglected and require intentional focus and investments — investments that can lead to a more just and prosperous Chattanooga.

While \$30 million is not enough to bridge all gaps that exist in Chattanooga, it still represents a significant opportunity to fund transformative projects, the commission said. And over the past four months, members of the commission have engaged in many hours of robust discussions on how to best invest in an equitable, robust recovery.

In its framework, the Equitable Recovery Commission first analyzed Mayor Tim Kelly's One Chattanooga strategy, and from there recommended a single goal — catalyzing the economic growth of the Black community — serve as its primary objective.

"Our research showed that the Black community in Chattanooga was disproportionately impacted by the negative effects of COVID-19," said Commissioner Lakweshia Ewing. "We appreciate Mayor Kelly's continued commitment to honoring his campaign promises by investing \$30 million of ARPA funding into community-based initiatives that address the inequities that have existed for generations."

As the main objective, or “hub” of this investment framework, the commission recommended that every application for funding should incorporate this goal within both its scope of work, as well as in its impact.

To help spur economic growth in Chattanooga’s neighborhoods, the commission recommended funding projects which fall into the following four priority areas:

- Ensure accessible housing for all Chattanoogaans
- Build a universal path to early learning and provide high-quality childcare
- Close the gaps in public health
- Build a competitive regional economy

“I want to first acknowledge the hard work by the members of the Equitable Recovery Commission, who took on the tough discussions, put in the long hours and performed the diligent research required to produce a framework of this magnitude,” said Chattanooga Mayor Tim Kelly. “My team and I look forward to reviewing it and leveraging it to inform our notice of funding opportunity later this week.”

Next steps include a formal notice of funding opportunity, technical assistance for applicants, and final application deadlines.

- The formal notice of funding opportunity will be made available at Recovery.Chattanooga.gov on **Friday, April 29**.
- The city will host a virtual applicant information session on **May 3 at 1 p.m.** to provide technical assistance for applicants.
 - Register at <https://tinyurl.com/ARPATA>
 - The session will be recorded and posted online to Recovery.Chattanooga.gov
- An additional in-person applicant information session for technical assistance is scheduled for **May 9 at 5 p.m.** at a location that will be announced on Recovery.Chattanooga.gov.
- The final date to submit applications is currently set for **June 3 at 5 p.m.**
- Notices of intent to award to be released in **early July**.
- **The ARP spending plan is contingent on City Council approval.**

The Equitable Recovery Commission was established to ensure Chattanooga’s fund allocation process is administered with integrity and accountability, through an equity lens. The Commission was composed of six members selected by the Mayor’s Office, three members nominated by the Urban League of Greater Chattanooga, and three members nominated by the Chattanooga Area Chamber of Commerce.

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CHATTANOOGA **EQUITABLE RECOVERY** **COMMISSION**

Investment Framework Recommendations Report
April 2022

CITY OF CHATTANOOGA
MAYOR TIM KELLY

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“As a Southern city, the legacy of racism and inequitable policies associated with the Jim Crow Era have left deep social and cultural scars in our community, manifested as disparities – or gaps – among our neighbors. Decades of divestment in our neighborhoods, compounded by national politics more interested in partisanship than people, has created a city where the experience of life can be vastly different depending on the ZIP code you’re born into and the color of your skin – from health outcomes to economic opportunities.

National research shows Chattanooga is one of the worst cities in America [in which] to grow up poor. Outcomes for families who start behind but are willing to put in the work lag behind those of regional peers, similarly sized cities, and even our neighboring counties.”

- ONE CHATTANOOGA, Strategic Plan, October 2021

The Chattanooga Equitable Recovery Commission



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Gomez-Nunez



Rev. Anne
Pierre



Ericka
DeBruce



Pastor Dr. Ernest
Reid, Jr.



Katie
Wells



Ketha
Richardson



Lakweshia
Ewing



Marcus
Cade-Johnson



Dr. Shewanee
Howard-Baptiste



Miles
Huff



Quentin
Lawrence

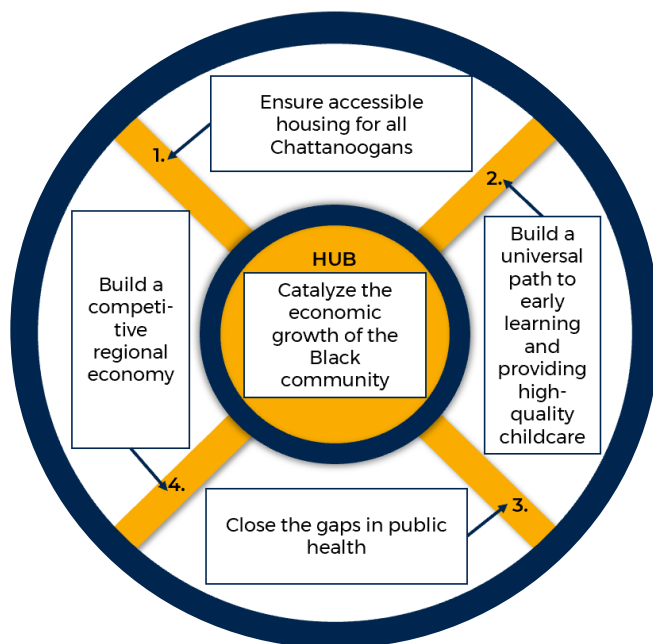


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Introduction

Last Fall, the City of Chattanooga announced the launch of its “One Chattanooga Relief and Recovery” process and plan, which will help inform Chattanooga’s equitable economic recovery and drive the investment of the over \$38.6 million allocated by the American Rescue Plan Act through the Coronavirus State and Local Fiscal Recovery Funds.

Mayor Tim Kelly commissioned the Chattanooga Equitable Recovery Commission (CERC) and charged the 12-member body with developing an investment framework that will inform how the Kelly administration will invest these once-in-a-generation funds to maximize lasting solutions and spark generational change in Chattanooga. To ensure the fund allocation process is administered with integrity and equity, CERC’s investment framework will focus the City’s ARPA investments on transformative opportunities to remove persistent barriers that create and sustain inequities in Chattanooga. These investments should address Chattanooga’s long-standing and most difficult challenges. As these funds are attached to spending deadlines, the CERC was focused on time-limited investments that catalyze lasting change, focus on disproportionately affected communities, address Chattanooga’s most difficult challenges, and have a clear plan to demonstrate impact.



To establish the framework, the CERC took a holistic approach, addressing the interactions of several areas of disparity in Chattanooga. The committee concluded that communities that started with the least were most vulnerable to pandemic impacts. To visualize this, the Committee used a “hub and spoke” model to set their central objective with the spokes representing key areas where investment is needed to achieve this, and the outer circle represents the interconnectedness of these areas.

Developing the Investment Framework

In January 2022, Mayor Kelly convened the Chattanooga Equitable Recovery Commission, composed of members nominated by the Mayor's Office, the Urban League of Greater Chattanooga, and the Chattanooga Area Chamber of Commerce. This commission was tasked with developing the "Chattanooga Equitable Recovery Framework" by examining the systemic causes of inequity in Chattanooga and prioritizing the area most critical to equitable post-pandemic rebuilding.

The CERC began its work by reviewing several plans for City of Chattanooga, including those listed below:

- ONE CHATTANOOGA: Strategic Plan, City of Chattanooga, TN, October 2021¹
- Velocity 2040, Chattanooga Area Chamber of Commerce, February 2019²
- Chattanooga Climbs, Chattanooga Chamber Foundation, November 2019³
- Forward Together 2021 Report to the Community, Chattanooga 2.0, January 2021⁴
- Chattanooga Dream Policy Scan Recommendations⁵
- 2019 Picture of Our Health⁶



As described in the ONE CHATTANOOGA PLAN, being a southern city carries with it a history of racism and Jim Crow Era inequitable policies that persist in systems and institutions

¹ ONE CHATTANOOGA Strategic Plan | PBB. <https://pbb.chattanooga.gov/one-chattanooga-strategic-plan/>. Accessed 14 Apr. 2022.

² Velocity 2040.

https://www.chattanoogachamber.com/images/uploads/pdfs/Velocity2040_Report.pdf. Accessed 14 Apr. 2022.

³ CHATTANOOGA.

https://www.chattanoogachamber.com/images/uploads/pdfs/Chattanooga_Climbs_Executive_Summary_from_Chattanooga_Chamber.pdf. Accessed 14 Apr. 2022.

⁴ Forward Together. <https://chatt2.org/wp-content/uploads/2021/01/cha-21-report-1.29.21.pdf>. Accessed 14 Apr. 2022.

⁵ Parcell, Abby et al. *Chattanooga Dream Policy Scan and Recommendations*. MDC, 2020.

⁶ 2019 Picture of Our Health Report.

<https://health.hamiltontn.org/Portals/14/DataPublications/Docs/2019%20Report%20Final%202019-02-28.docx.pdf>. Accessed 14 Apr. 2022.

regardless of the best intentions. These institutional biases are visible as disparities among demographic groups in Chattanooga. Decades of racially biased divestment in neighborhoods has created a city where long-term social, economic, and health outcomes can nearly be predicted by the ZIP code one is born into and the color of your skin.

The CERC recognized that \$30 million is a significant amount of funding to invest in the community but acknowledges that it is nowhere near the amount that would be needed to truly correct for historic inequities. Rather than despairing over what is missing, the Commission committed to making the most of this still considerable investment by developing its framework with strategic priority areas and concrete examples of the types of investment that membership truly believe can plant the seeds for longer term change in Chattanooga.

Because ARP funds are focused on in COVID-19 pandemic response, the Commission examined who was most affected by the pandemic. According to the CDC, during the first year of the pandemic, “Life expectancy for the non-Hispanic black population, declined the most, and was the lowest estimate seen since 2001.” Understanding that the virus posed that greatest to individuals with pre-existing health complications, it was key to be aware that health outcomes in Hamilton County are largely driven by social determinants of health with race as the prevailing factor. The following information from Blue Cross and Blue Shield of Tennessee highlights these disparities.⁷

Mortality rates for several chronic diseases are significantly higher for African Americans than for whites in Hamilton County:

<i>Kidney disease</i>	<i>Diabetes</i>	<i>Stroke</i>
260% higher	170% higher	32% higher
<i>Prostate cancer</i>	<i>Heart disease</i>	<i>Breast cancer</i>
100% higher	19% higher	74% higher

⁷ 2019 Picture of Our Health Report.

Given that the African American community is most vulnerable to negative health outcomes because of the pandemic in Chattanooga, it is not surprising that it is the most detrimentally impacted by the COVID-19 pandemic. Therefore, the Commission chose to consider the strategic investment areas that would be most beneficial to communities of color in Chattanooga.

Health outcomes do not operate in a silo. The U.S. Department of Health and Human Services defines Social Determinants of Health (SDOH) as “the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.”⁸ SDOH is comprised of 5 “domains” of influence on health outcomes.

- Economic Stability
- Education Access and Quality
- Health Care Access and Quality
- Neighborhood and Built Environment
- Social and Community Context



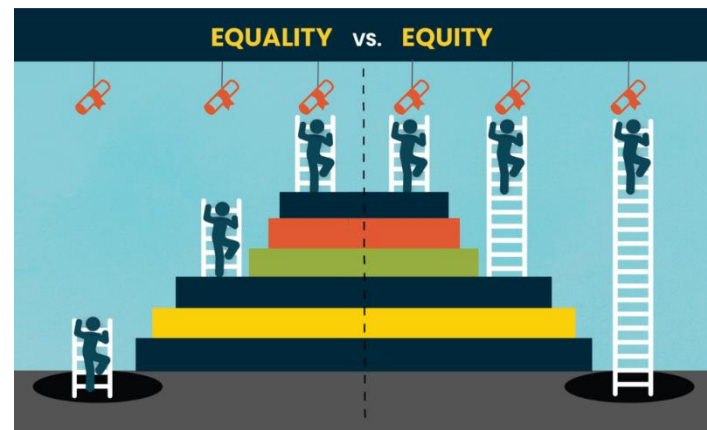
Healthy People 2030, U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion. Retrieved 4/7/2022, from <https://health.gov/healthypeople/objectives-and-data/social-determinants-health>

The CERC purposefully aligned its funding framework to leverage the interactions of these domains and maximize the multiplicative effect of a \$30 million investment. In part, through its framework, the CERC’s priority is to secure Chattanooga’s future in the face of the health and economic challenges we’ve faced by employing a new growth model—one that builds on our assets, leaves the generations to come with a strong and healthy foundation for the future, and brings us closer to the ideal of equity. To understand the framework, it is also crucial to understand what is meant by “equity.” Here the Commission draws upon the Presidential Executive Order that guides ARP spending.

⁸ Healthy People 2030, U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion. Retrieved 4/7/2022, from <https://health.gov/healthypeople/objectives-and-data/social-determinants-health>. Accessed 14 Apr. 2022.

“The term “equity” means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality. [...]”

“The term “underserved communities” refers to populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the preceding definition of ‘equity.’”⁹



Source: Chattanooga 2.0, <https://chatt2.org/commitment-to-equity/>

CERC sought to develop an equitable framework that will be the new growth model. Achieving equity requires erasing social and geographic disparities in opportunities and outcomes. Equity is not only a matter of social justice or morality, it is an economic necessity.

*Equity is not only a matter of social justice or morality,
it is an economic necessity.*

⁹ Executive Order On Advancing Racial Equity and Support for ... <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/>. Accessed 14 Apr. 2022.

The Chattanooga Equitable Recovery Investment Framework

Equity recognizes there are gaps in opportunity that are remnants of an imperfect legacy and difficult history. By acknowledging that some communities have been historically neglected and require intentional focus and investment, Chattanooga can take essential steps toward building a more just and prosperous city.

The CERC made a concerted effort toward addressing the underlying conditions that have led to inequities in Chattanooga, and has chosen to direct the framework toward providing supports for disproportionately impacted communities as defined in the U.S. Department of Treasury Final Rule for the use of ARP funds:

“Disproportionately impacted” entities are those that experienced disproportionate public health or economic outcomes from the pandemic; Treasury recognizes that preexisting disparities, in many cases, amplified the impacts of the pandemic, [...].”¹⁰

“For disproportionately impacted communities, recipients may design interventions that address broader pre-existing disparities that contributed to more severe health and economic outcomes during the pandemic, such as disproportionate gaps in access to health care or pre-existing disparities in educational outcomes that have been exacerbated by the pandemic.”¹¹

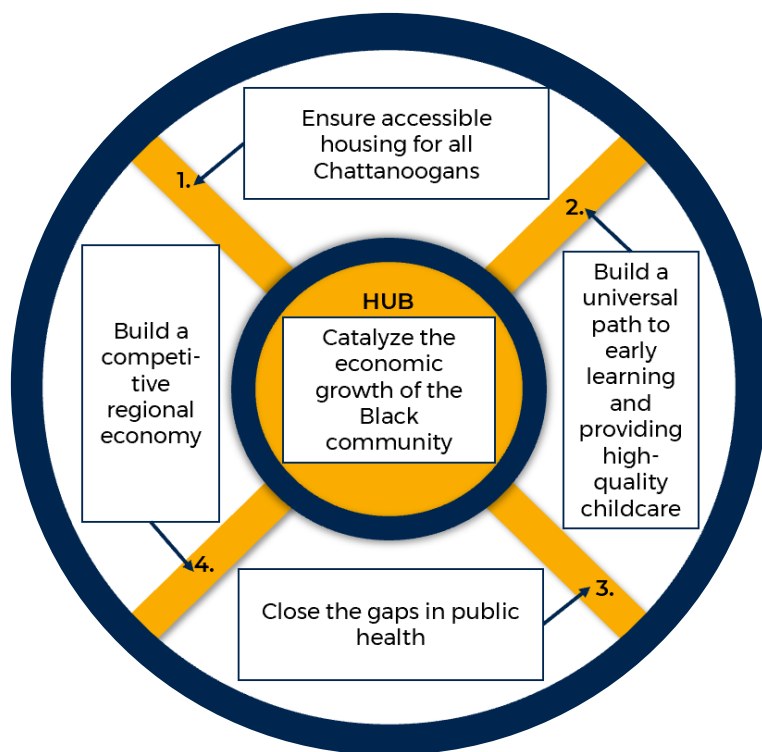
The Final Rule provides the City of Chattanooga, with “broad flexibility to identify a “class” – or a group of households, small businesses, or nonprofits – that experienced an impact. In these cases, the recipients should first identify the class and the impact that it faced. Then, recipients only need to document that the individuals served fall within that class.” For the purposes of this investment framework, the CERC defines the “class” that has been most economically impacted as **vulnerable and marginalized populations, particularly Black and Latinx communities**.

¹⁰ SLFRF-Final-Rule.Pdf. <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>. Accessed 14 Apr. 2022.

¹¹ *Ibid*, 34.

The CERC defines the main objective of uses for ARP funds as **catalyzing the economic growth of the Black community**. As the main objective, or “hub” of this investment framework, every application for funding must center the proposed work and its impact toward this aim. The CERC encourages the Kelly Administration to make use of this moment to directly confront the underlying conditions in communities that led to a disparity in outcomes. For all the harm it has caused, COVID-19 did not unilaterally generate racial or class disparity; instead, it exposed and deepened long-standing inequities created by historic policies and decisions. This investment framework is designed to begin leveling the playing field and creating enduring change.

To visualize this, the Committee used a “hub and spoke” model to set its central objective as **catalyzing economic growth of the Black community**. The four spokes represent critical areas where investment is needed to achieve this objective:



- **Ensure accessible housing for all Chattanoogaans**
- **Build a universal path to early learning and providing high-quality childcare**
- **Close the gaps in public health**
- **Build a competitive regional economy**

Finally, the outer circle represents the interconnectedness of these investment areas that must be synergized to achieve long-term change.

Below, each of these strategies is defined and examples of the type of applications that the Commission hopes to encourage are listed.

Ensure Accessible Housing Options for All Chattanoogaans

Nearly forty percent (39.5%) of Chattanooga area renters are housing burdened (spending more than 35% of their income on rent) according to National Low Income Housing Coalition.¹² The Forward together plan from Chattanooga 2.0 estimates that a “thriving wage” for single young adults would be \$32,000 annually, or \$15.40/hr., which would allow such an individual to pay up to \$933 in rent and utilities.¹³ However, the average rent for a one (1) bedroom unit is over \$1,200.¹⁴ The obvious solution to a supply side problem like this is to increase the available housing stock, yet the reports reviewed identified several areas where current restrictions inhibit the development of affordable housing units.

“TN, like nearly every other Southern state, preempts local governments from instituting rent-control laws. Additionally, TN preempts some forms of inclusionary zoning, which require a certain number of affordable housing units in new developments. These laws significantly limit the power local governments have to address rising housing costs in their communities.”

- Chattanooga Dream Policy Scan

Every Chattanoogaan has a right to a safe, affordable, and stable home. The City of Chattanooga must increase the supply of truly affordable housing, ensuring equitable access through a practical approach that is tailored to each neighborhood. Fair lending, access to capital, homeownership, and safe and healthy rental units should be normalized, and standards should be raised as a result of investment in this strategy.

The CERC recommends funding initiatives that further the following priorities:

1. Expand the inventory of affordable housing throughout the city.
2. Diversify the range of capital options available to develop affordable housing.
3. Expand supportive housing resources.
4. Support both tenants and housing providers with housing security and eviction prevention resources. And
5. Preserve land for affordable housing in transitioning neighborhoods.

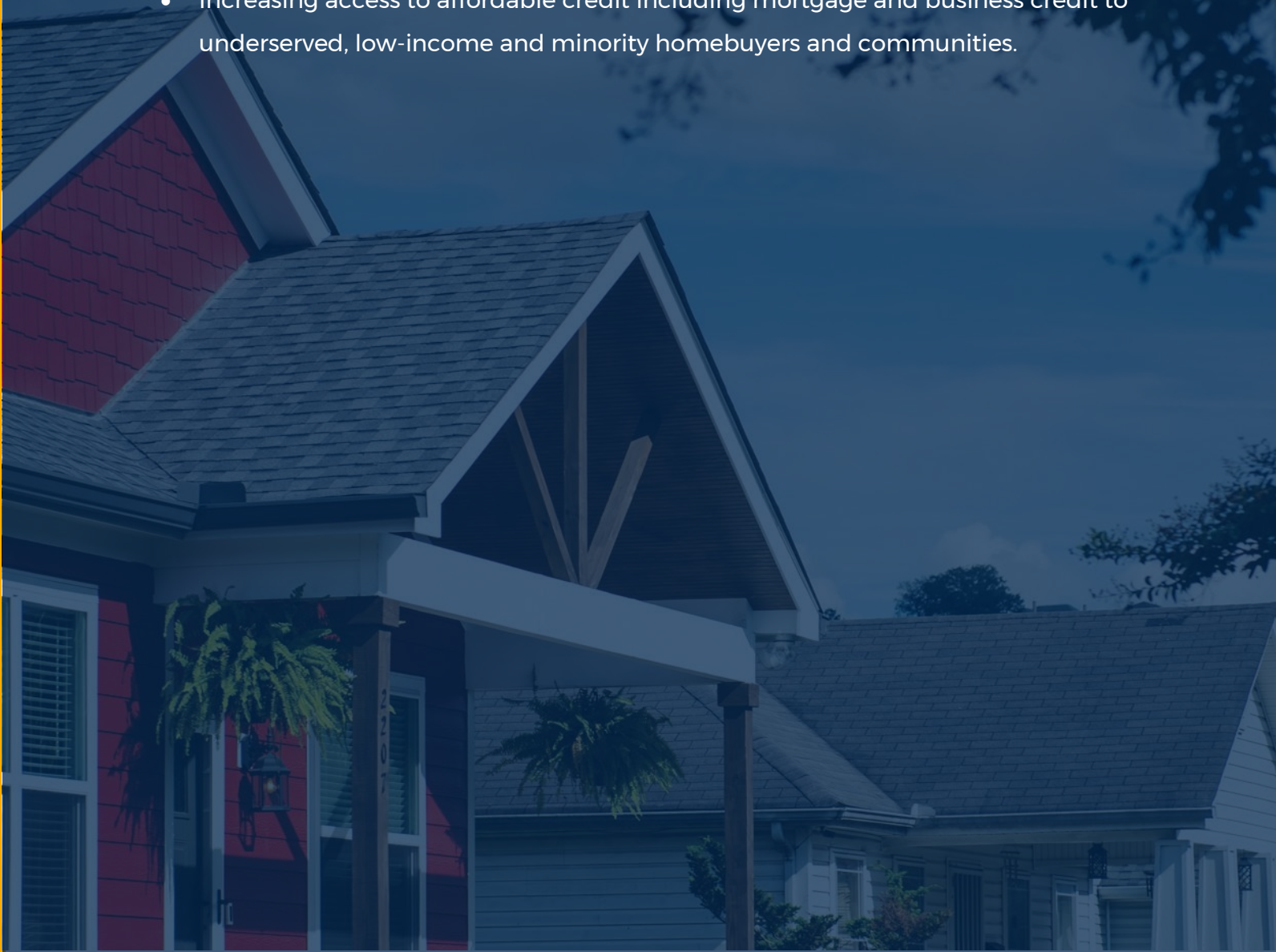
¹² Out of Reach 2021: Tennessee. <https://reports.nlihc.org/oor/tennessee> . Accessed 14 Apr. 2022.

¹³ Forward Together, 37.

¹⁴ *Ibid.*

Sample Application Objectives

- Expand the available housing stock especially for those earning <50% AMI
- Permanently supportive housing for individuals that are chronically homeless.
- Focus on rapid re-housing interventions and efforts for individuals experiencing homelessness due to episodic financial or medical crises.
- Case management and supportive services necessary for housing stability.
- Support safe and health homes by investing in organizations/ programs that offer repair and renovation assistance.
- Start a flexible housing fund to assist with utility debt, rental deposits, and temporary rental assistance to reduce barriers to securing housing.
- Increasing access to down payment assistance, like matched savings programs and advanceable tax credits for low-income first-time homebuyers
- Increasing access to affordable credit including mortgage and business credit to underserved, low-income and minority homebuyers and communities.



Build a Universal Path to Early Learning and Provide High Quality Childcare

Decades of research tell us that the earliest part of a child's life is the most critical to future development and success. Recent research shows that "people who attended Head Start programs were 12 percent less likely to live in poverty as adults and were 29 percent less likely to rely on public assistance."¹⁵ To eliminate gaps in educational outcomes, the City of Chattanooga must invest in creating a path to universal early learning for every child. The need for these high-quality services expands beyond the early stages of learning and interacts critically with the ability of caregivers to earn a sufficient wage to guarantee housing and economic stability for children.

Locally, for those families who can access care, it is far from affordable. The typical cost of center-based care for an infant in Tennessee is around \$10,800 per year, more than the amount of public university tuition. If a family also has a child of Pre-K age, the cost rises to \$19,500. This is 24% of the median income of a married family and 82% of the median income of a single parent.

While some experiencing poverty may qualify for subsidies, these high costs make childcare unaffordable for many of Chattanooga-Hamilton County's hard-working families.

-Forward Together

Too often, gains made in early learning are lost due to the absence of engaging post-curricular care for older students. Therefore, we must also provide safe, healthy, and engaging pre- and post-school spaces for children throughout their educational journey.

The CERC recommends funding initiatives that further the following priorities:

1. Train the next generation of excellent early learning professionals.
2. Expand access to early learning for all children ages 0-5.
3. Provide high-quality childcare and aftercare.

¹⁵ Bailey, Martha et al. *Prep School for Poor Kids: The Long-Run Impacts of Head Start on Human Capital and Economic Self-Sufficiency*. University of Michigan, 2020.



Sample Application Objectives

- Improve how information is shared to communities, families, and individuals so they are aware and can utilize early learning centers.
- Encourage interventions to address whole-family wrap around services aimed at stability – if children return each day to the same dysfunctional home environment, the impact of early learning is diminished.
- Lower childcare costs for families by providing childcare subsidies/scholarships to parents
- Increase pay for childcare workers through wage subsidies for workers, sign on bonuses for workers, and benefits support for workers
- Support talent pipeline via subsidies for continuing education and professional development
- Increase capacity of current childcare facilities and increase childcare facility stock by:
 - providing capital support for improvements and expansions of existing childcare facilities,
 - providing startup funds to reduce barriers for new/potential childcare providers,
 - providing operations support for potential operators of childcare facilities, and
 - supplying childcare facilities with PPE, safety supplies, and equipment.

Close the Gaps in Public Health

Decades of divestment, inequitable policies, and the legacy of racism means some Chattanoogaans experience a vastly different way of life than others, leaving them particularly vulnerable to negative health outcomes, diminished opportunity, and less resiliency. Throughout the COVID-19 pandemic, neighbors who were already experiencing health and safety challenges saw gaps widen as many were disproportionately impacted by the spread of the coronavirus.

The virus is widening existing health inequalities in the county and across the country. According to data released by *The New York Times* from the federal Centers for Disease Control and Prevention, Black and Hispanic people in America are three times more likely to be infected and two times more likely to die from the virus than white people.

A similar disparity is continuing in Chattanooga with around half of all confirmed cases in the county among Hispanic residents. Since July 1, cases among Black residents increased by 40%, more than double the increase among white residents.

-Times Free Press

The CERC recommends funding initiatives that further the following priorities:

1. Address racial and socioeconomic disparities in public health outcomes.
2. Prevent violence in our community by addressing root causes.
3. Support youth development with intentional support and opportunities.
4. Ensure all Chattanoogaans have access to fresh, healthy, and affordable food.
5. Destigmatize mental and emotional health.



Sample Application Objectives

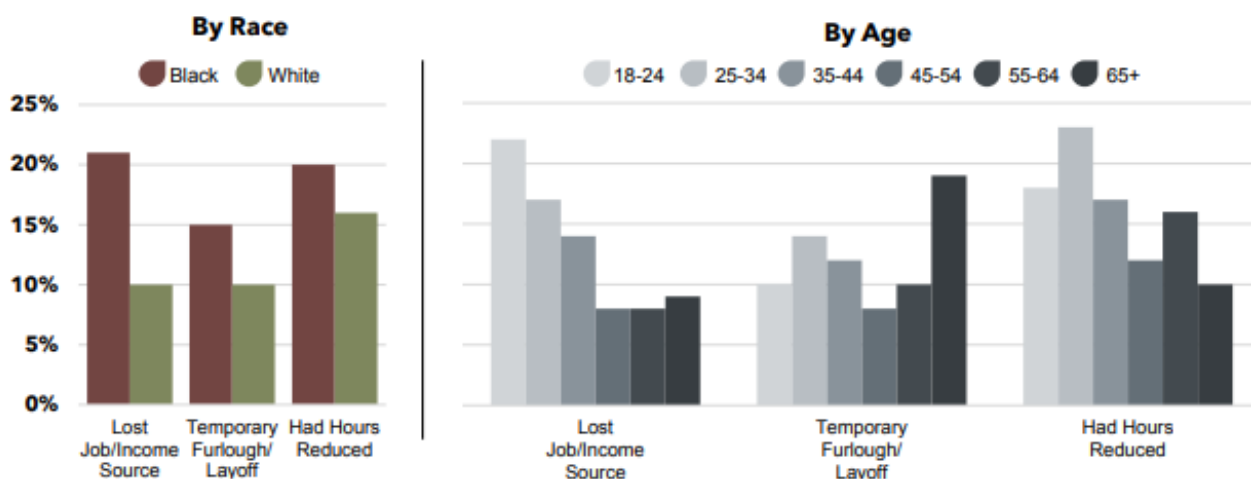
- Train the trainer model - helping people who live in underserved areas to become the health care professionals to support their communities. People can't always get to the doctor; are there accessible spaces and people that can help monitor health outcomes.
- Provide enrollment services to Chattanoogaans - especially children to gain and maintain health insurance.
- Invest in health care organizations/centers that are located in (and/or primarily serve clients located in) zip codes with the lowest rate of COVID-19 vaccinations and have the worst health outcomes.
- Invest in organizations/programs whose applications address racial and ethnic health care disparities.
- Fund organizations that support women's reproductive health and family planning resources.
- Invest in programs/efforts that address behavioral health, especially among young people in historically marginalized communities.
- Invest in organizations/programs that work to attract, retain, and support a diverse provider workforce.

Build a Competitive Regional Economy

Chattanooga must be a resilient and innovative city, ready to compete in and capitalize on a rapidly changing economy. By focusing on growing a healthy, sustainable economy, where residents of all backgrounds and education levels have equal access to capital for entrepreneurship and are able to obtain quality jobs and experience an improved quality of life, we will be able to engage in more intentional business recruitment, talent retention, and expansion efforts that will lead to prosperity that will be more broadly shared across Chattanooga.

Recent surveys affirm that COVID-related job cuts have hit black Tennesseans and the youngest workers disproportionately hard. A statewide survey the University of Tennessee (UT) conducted in June found black respondents and younger respondents were more likely to report job losses and reduced hours than their counterparts (Chart below). These results largely echo similar studies that have looked at the nation as a whole.¹⁶

Percent of Survey Respondents Reporting Adverse Job-Related Actions Due to COVID-19 (Jun 1-7, 2020)



Source: University of Tennessee "Tennessee Pulse Survey," conducted June 1-7, 2020 (14)

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¹⁶ Coronavirus Recession: TN's Most Vulnerable. <https://www.sycamoreinstitutetn.org/wp-content/uploads/2020/08/2020.08.13-FINAL-Coronavirus-Recession-TNs-Most-Vulnerable-People-Places-and-Employers.pdf>. Accessed 22 Apr. 2022.

The CERC recommends funding initiatives that further the following priorities:

1. Create, attract, and sustain good-paying jobs in growing economic sectors.
2. Grow household incomes for all Chattanoogaans through workforce development and other skills training.
3. Foster a welcoming, inclusive, and prosperous city for New Americans.
4. Provide patient capital to Black and Latinx entrepreneurs.
5. Lead in the emerging green economy.

Sample Application Objectives

- Support businesses that provide diverse ethnic and LGBTQ+ affirming shopping, dining, and cultural experiences.
- Projects that work to eliminate discrimination toward African American and other historically marginalized Chattanoogaans and lift the entire region.
- Invest in small business support programs for local businesses located in the areas that experienced the most detrimental economic and health impacts from COVID-19, with priority to businesses owned by residents who are members of the Black and Latinx communities.
- Invest in programs that help businesses institute paid family leave.
- Attract and retain young Black and Brown college-aged talent.
- Fund a guaranteed basic income two-year pilot program modeled after Rochester, NY.
- Expand access to public transportation

ARPA Funding Allocation Recommendation

To inform the submissions of the community, the CERC is also providing the following recommended division of the funding by each strategy area. These recommended allotments are based on a variety of factors, including the availability of other sources of funding for initiatives in these strategic areas.

Strategy	Percentage	Amount
Ensure accessible housing for all Chattanoogaans	32.67%	\$9,800,000.00
Build a universal path to early learning and provide high-quality childcare	20.67%	\$6,200,000.00
Close the gaps in public health	23.22%	\$6,966,666.67
Build a competitive regional economy	23.44%	\$7,033,333.33

Application Criteria

The distribution and expenditure of ARP funds will be guided by five primary criteria:

Full Transparency on Spending of Every Dollar

The Federal Government has entrusted the City with the responsibility of spending ARP funds on behalf of, and for the benefit of Chattanoogaans. Every dollar spent will be tracked and accounted for, so Chattanoogaans know exactly how the funds are being used, and who they're helping.

Federal Funding will require recipients to track and report success of activities (KPIs, Data Tracking methods, etc.); applications will require the submission of a plan for tracking and reporting on metrics that demonstrate the of their initiative.

Compliance with Federal Guidance

Following enactment of the ARP, federal agencies such as the US Treasury have published administrative guidance with detailed information on how the funds may be spent. All

Chattanooga priorities and spending will align with guidance published by the Federal Government.

For example, guidance from the US Treasury provides clarifying information and examples on how direct City relief funds may be used within the four categories outlined within the “Use of Fund” bill text, and as listed below:

- To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or
- its negative economic impacts,
- including assistance to households, small businesses, and nonprofits, or
- aid to impacted industries such as tourism, travel, and hospitality.

Alignment *with Framework*

The Framework identifies four key strategies for addressing the disparate effects of the pandemic on the most vulnerable within the Chattanooga community. Applications targeted at each strategy must have clearly articulated impact on catalyzing the economic growth of the Black community in Chattanooga:

- Ensure accessible housing for all Chattanoogaans
- Build a universal path to early learning
- Close the gaps in public health
- Build a competitive regional economy

Additional Criteria

Projects should be either one-time in nature or self-sustaining after initial funding investment.

Projects should serve the migrant community to the fullest extent allowable under federal regulations.

Chattanooga ARP Application Process

Last Fall, the City of Chattanooga announced the launch of its “One Chattanooga Relief and Recovery” process and plan, which was designed to prompt Chattanooga’s equitable economic recovery and drive the investment of the funds allocated by the American Rescue Plan Act. Due to tremendous community interest and enthusiasm about transforming the equity landscape in Chattanooga, the City authorized an initial gathering of proposals to gain a better understanding of what types of projects the community had in mind and where there was capacity within the community to execute transformational projects. Now that the Commission has developed the framework for the recommended use of these funds, a more robust application will be published, and technical application assistance will be made available to the public and the initial applicants.

The City will be issuing a Notice of Funding Opportunity (NOFO) presently. The NOFO will require respondents to resubmit in a format that better addresses Federal Standards. The NOFO will also be open to those who have not applied before.

Those who participated in the initial funding application round will receive feedback regarding their application and direct invitation to technical assistance opportunities.

Summary Schedule of Chattanooga ARP Fund Process

<i>October 2021</i>	Initial round of funding applications opened
<i>January 2022</i>	Chattanooga Equitable Recovery Commission Announced
<i>February 2022</i>	Initial round of funding applications closed
<i>January through April 2022</i>	CERC Framework developed
<i>April 2022</i>	CERC Framework announced
<i>April 2022</i>	Final application window opens
<i>May 2022</i>	Technical assistance available for applicants and prospective applicants
<i>Early June 2022</i>	Final application window closes
<i>June 2022</i>	Application review
<i>July 2022</i>	Selection announcement